

## **PERSONAL PROPERTY VALUATION**

### **An Educational Guide to Property Tax in the State of Idaho**

If you operate a business, you may have some questions about the way your personal property is assessed. The assessed value of your personal property is part of the calculation of how much tax you pay. Assessments should be accurate so that all taxpayers pay their fair share of the total personal property tax.

This brochure answers some of the most frequently asked questions about personal property. This information is based on laws in effect on January 1, 2002.

#### **What is Personal Property?**

Taxable personal property consists of items used commercially, such as furniture, libraries, art, coin collections, machinery, tools, equipment, signs, unregistered vehicles and watercraft. This list is not all-inclusive. For more information, contact the assessor in the county where the property is located.

Taxable personal property also includes items used commercially for convenience, decoration, service, or storage. Examples are store counters, display racks, desks, chairs, file cabinets, computers, typewriters, office machines, and medical/scientific instruments.

This list is not all-inclusive; contact your local county assessor for more information.

#### **What is Transient Personal Property?**

Transient personal property is unregistered construction, logging, or mining equipment that spends 30 days or more in a county during the same year, including equipment brought in from another state.

If you own transient personal property, you may treat the county in which you maintain a residence or usual place of business as your home county.

You should file the declaration for transient personal property on or before the first Monday of November each year with the assessor of your home county.

#### **What Personal Property is Assessed?**

All personal property in Idaho, unless expressly exempt, is subject to assessment and taxation.

If you have taxable personal property, you are required to report it to your county assessor. This is done by using a personal property declaration form available from the county assessor.

## What Personal Property is Tax Exempt?

The following list includes some of the major categories of personal property exempt from taxation:

- Personal effects, clothing, and household items (unless used in a business)
- Vehicles and vessels properly registered in the state of Idaho
- Livestock
- Business inventory
- Equipment used for education
- Property owned by fraternal, benevolent, and religious organizations
- Facilities used for water or air pollution control
- Machinery and equipment used exclusively in production of crops or livestock, or nursery stock

Some other exemptions are allowed by law. Contact your county assessor for more information.

## What is a Lien Date?

The lien date is the date taxes are secured by the property being taxed. Nonpayment of taxes that are secured by property may result in the owner losing the property.

The lien date for real property and most personal property is January 1. For personal property brought into Idaho after January 1, the lien date is the first day of the quarter in which the property was brought into Idaho.

## Who Assesses Personal Property?

All personal property is assessed by the county assessor of the county in which it is located.

## When Must I Report My Personal Property?

You must return your personal property declaration to the county assessor by the date on the declaration, usually no later than March 15. For exceptions, contact your county assessor.

## What if Someone Does Not Report Personal Property?

The county assessor is required to assess property that is not declared. The assessment is estimated based on the best information available.

Idaho law provides that county officials must double the assessed value of any personal property they discover was willfully concealed, removed, transferred, misrepresented, or not listed or declared by the owner, or the agent or representative of the owner, in order to avoid paying tax. The assessment is doubled for each year the property escaped assessment.

## At What Value is Personal Property Assessed?

Personal property is assessed at retail market value. This value includes shipping, installation, and other costs incurred to have the property functioning. Several methods are used to arrive at the value. Depreciation tables, sales information, cost guides, and other resources are used in this process.

## **What is Market Value?**

Market value is the value that property would sell for in the open market. It is the amount of U.S. dollars or equivalent for which a property would probably exchange hands between a willing seller and an informed buyer.

## **How do I Know What the Assessed Value of My Personal Property Is?**

The value of personal property is stated on the assessment notice. The county assessor usually mails this notice to you by the first Monday in June.

If you start a new business after January 1, the assessment notice for your personal property is usually mailed by the fourth Monday of November. The assessment notice for transient personal property is also mailed in November. When you get your notice, look at it carefully to make sure all the information is accurate.

## **What if I Disagree With the Assessed Value of My Personal Property?**

Contact your county assessor if you disagree with the assessed value. Your assessor maintains a file of information on your personal property. If you have questions about your assessment, you should review this information with the assessor to ensure its accuracy.

If you cannot resolve your disagreement with the assessor, you may appeal to the county board of equalization, which consists of your elected county commissioners. In order to appeal, you must file your appeal with your county clerk by the fourth Monday in June. If you received your assessment notice in November, your appeal must be filed by the fourth Monday in November. If you receive your assessment notice in December, you must appeal on or before the January meeting of the board of equalization. Please contact your county clerk for information.

Be prepared to document your reasons for requesting a change in your property's assessed value. You will need to prove that the assessor's value is not the current market value of the personal property.

## **How Are My Personal Property Taxes Determined?**

The market value of your property is one factor in setting the amount of tax you pay. However, the assessor does not determine tax amounts. The amount of taxes is determined by the budgets of the taxing districts in which your property is located.

There are many kinds of taxing districts in Idaho. Some, like cities and counties, provide a wide range of services. Other districts levy taxes for specific purposes like highways, schools, or fire protection.

Each taxing district is administered by officials who determine how much money the district needs to provide services. After a district's budget is set, the part of the budget funded by property taxes is divided by the total taxable value of all property within the taxing district to arrive at a tax rate. The tax rate is multiplied by the taxable value of your property, resulting in the amount of taxes you owe.

## When Are My Personal Property Taxes Due?

The county treasurer mails most tax bills by the fourth Monday of November. If you pay the first half by December 20, the second half is due by June 20, unless the treasurer demands earlier payment. Contact the treasurer for information about installment payments and your bill.

For December assessments, you should receive the bill in January of the following year.

## What Happens if My Personal Property Taxes Are Not Paid on Time?

Taxes are delinquent if not paid by the due date. Delinquent taxes and accrued interest and penalty are also a lien against your property. The county sheriff can seize and sell your property for nonpayment of property taxes.

## What if I Close My Business or Sell It?

If you sell or close a business, you should notify the county assessor in writing as soon as possible. The assessor will explain how your assessment will be handled.

### **For More Information, Contact:**

- Your county assessor
- Idaho State Tax Commission: In the Boise area, 334-7736; Toll free, 800-972-7660 x 7736
- Hearing impaired: TDD 1-800-377-3529
- [tax.idaho.gov](http://tax.idaho.gov)

This information was prepared by the Idaho State Tax Commission. It does not provide comprehensive rules. Specific questions should be addressed to the Tax Commission.